

1       there any discussion that he would work at the  
2       station?

3           A       Well, he sold his interest out along the  
4       way. He had bought a radio station, a hispanic  
5       radio station. And he sold his interest to  
6       Mr. Robert Cohn, who is now deceased.

7           Q       Do you recall what programming plans  
8       Monroe Communications had for channel 44?

9           A       Yeah. We said we would make it a  
10      hispanic station because there was no hispanic  
11      station in Chicago at that time.

12          Q       And what was the ultimate outcome of the  
13      Monroe Communications application?

14          A       What do you mean?

15          Q       Was the application granted, was it  
16      settled, what happened?

17          A       I'm unsure about the language.

18          Q       All right. Let me show you a document.

19          A       I understand what you're getting at, but  
20      I'm unsure about the language you're using.

21          Q       Okay. Well, let me show you a document  
22      and maybe I can clarify my question.

1           A       Okay.

2                   (Haag Deposition Exhibit Number 6 was  
3 marked for identification.)

4                   BY MR. HUTTON:

5           Q       Exhibit 6 is an order released by the  
6 Federal Communications Commission on December 24,  
7 1992.

8                   Are you familiar with this document?

9           A       I don't remember it.

10          Q       In paragraph 3 of the order it states,  
11 The parties now propose to settle this case. Under  
12 the terms of the settlement, Video 44's application  
13 would be renewed and Monroe would dismiss its  
14 application in return for payments totalling  
15 \$17,676,424 plus interest.

16                   Is that a fair characterization of what  
17 happened?

18          A       Yeah.

19          Q       And what was your percentage interest in  
20 Monroe Communications?

21          A       I honestly don't remember at this time.  
22 I think it was about 30 percent, but I'm not sure.

1           Q       Do you recall what you ultimately  
2       received from the settlement?

3           A       I think whatever the percentage was. I  
4       don't remember now the exact amount. It was  
5       substantial.

6           Q       Do you know when you received those  
7       payments?

8           A       I don't remember the exact date.

9           Q       Roughly?

10          A       In '93, something like that.

11                   MR. HUTTON: All right. I have nothing  
12       further.

13                   MR. COLE: I have nothing.

14                   (The deposition concluded at 9:40 A.M.)

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## EXHIBIT C

COPY

1

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

In re Application of x  
READING BROADCASTING, : MM DOCKET NO. 99-153  
INC., : FILE NO. BRCT-940407KF  
For Renewal of License :  
of Station WTVE (TV), :  
Channel 51, :  
Reading, Pennsylvania, :  
and :  
ADAMS COMMUNICATIONS : FILE NO. BPCT-940630KG  
CORPORATION, :  
For Construction Permit. x

Washington, D.C.

Friday, November 12, 1999

DEPOSITION OF:

MANFRED STEINFELD,

a witness, was called for examination by counsel for  
Reading Broadcasting, Inc., pursuant to Notice and  
agreement of the parties as to the time and date,  
taken at the offices of Holland & Knight, 2000 K  
Street, N.W., Washington, D.C., commencing at  
approximately 9:45 o'clock, a.m., before



**CAROL J. THOMAS STENOTYPE  
REPORTING SERVICES, INC.**

3162 MUSKET COURT  
FAIRFAX, VIRGINIA 22030  
(703) 273-9224

1 Elaine A. Merchant, a Registered Professional  
2 Reporter and Notary Public in and for the District  
3 of Columbia, when were present on behalf of the  
4 respective parties:

5

6 APPEARANCE OF COUNSEL:

7 For Reading Broadcasting, Inc.:

8 HOLLAND & KNIGHT, ESQUIRES  
9 BY: THOMAS J. HUTTON, ESQUIRE  
2100 Pennsylvania Avenue, N.W., Suite 400  
Washington, D.C. 20037-3202

10

For Adams Communications Corporation:

11

12 BECHTEL & COLE, ESQUIRES  
13 BY: HARRY F. COLE, ESQUIRE  
1901 L Street, N.W., Suite 250  
Washington, D.C. 20036

14

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15

I-N-D-E-X

16 Witness:

Page:

17 MANFRED STEINFELD

18 Examination by Mr. Hutton

4

19

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20

21

22

1	<u>Exhibits:</u>	(Included in transcript)	<u>Page:</u>
2	Steinfeld Deposition		
3	1	Biography .....	11
4	2	Letter to Federal Communications Commission Mass Media Services	24
5		from Mr. Cole dated 6-30-99	
6		enclosing Application for	
7		Construction Permit for	
		Commercial Broadcast Station	
8	3	Letter to Mr. Salas from Mr. Cole dated 4-30-99 enclosing an	27
9		amendment	
10	- 0 -		
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1       THEREUPON,

2                               MANFRED STEINFELD,

3       called as a witness, and after having been duly  
4       sworn, testified as follows:

5                               EXAMINATION

6                               BY MR. HUTTON:

7               Q       Will you state your name and address, for  
8       the record?

9               A       My name is Manfred Steinfeld.

10                    I'll give you one of my cards so you've  
11       got the correct spelling, if you don't already have  
12       it.

13                    I live at 1300 Lake Shore Drive in  
14       Chicago, Illinois. Zip code 60610. And I also have  
15       a residence in Florida, a winter residence, in Boca  
16       Raton, Florida.

17               Q       I'm Tom Hutton. I'm counsel for Reading  
18       Broadcasting, Inc.

19               A       Okay.

20               Q       If any of the questions I ask are not  
21       clear, please feel free to ask me to rephrase the  
22       questions.



1                   If you need to take a break, just let me  
2           know and we'll take a break.

3           A        Sure.

4           Q        If Mr. Cole interposes with an objection,  
5           wait until we finish our discussion and then proceed  
6           before answering.

7           A        Sure.

8           Q        I'd like to ask if you're taking any  
9           medication that might affect your ability to recall  
10          past events or to testify accurately this morning?

11          A        No medication.

12          Q        What corporate position do you hold with  
13          Adams Communications?

14          A        I'm on the board of directors.

15          Q        Are you an officer of the company?

16          A        No.

17          Q        Are you a stockholder?

18          A        Yes.

19          Q        What's your percentage interest in the  
20          company?

21          A        8.7 percent.

22          Q        How was that percentage arrived at?

1           A       After discussion with the principal  
2       shareholders, I've agreed to invest on that basis.

3           Q       By principal shareholders, you're  
4       referring to who?

5           A       Mr. Haag and Mr. Gilbert.

6           Q       How did you come to be involved in Adams  
7       Communications?

8           A       I've been involved in a number of other  
9       business ventures with Mr. Gilbert and Mr. Haag,  
10      real estate ventures, and also other business  
11      activities, in addition to being neighbors. We all  
12      live in the same section for many years.

13          Q       Who approached you about participating in  
14      Adams Communications?

15          A       It may have been either one, either  
16      Mr. Haag or Mr. Gilbert. I can't tell you exactly  
17      who was the first one that talked to me about it. I  
18      talked to Mr. Haag often, I would say, sometimes  
19      once a day, sometimes once a week. Mr. Haag for  
20      many years served on the board of directors of our  
21      company so we discussed a number of business  
22      endeavors, et cetera. And I talked to Mr. Gilbert

1 based on some legal questions and other answers for  
2 various endeavors.

3 Q What were you told about the purpose of  
4 Adams Communications?

5 A To organize a company to update a  
6 television station.

7 Q Was it just one station or was there the  
8 possibility of more than one?

9 A If there is the opportunity for other  
10 stations, certainly more than one.

11 Q Were you told that these were going to be  
12 applications in competition with license renewals of  
13 existing stations or was there the possibility of  
14 filing for new television stations?

15 A I don't remember the exact conversation  
16 because this is going back six or seven years. It  
17 may have been either or both.

18 Q When did you first learn that the company  
19 intended to file the application in Reading,  
20 Pennsylvania?

21 A Probably five years ago.

22 Q When the company was first formed or was

1       it later?

2           A       Yes.

3           Q       It was when the company was first formed?

4           A       Yes.

5           Q       Do you recall any other specific  
6       locations where the company was interested in filing  
7       applications?

8           A       At this particular point, I don't recall  
9       any. There may have been others in the discussion,  
10      but I don't recall at this particular moment.

11          Q       Now, the company that you indicated  
12      Mr. Haag served on the board of, was that Shelby  
13      Williams Industries?

14          A       Yes.

15          Q       Tell me what Shelby Williams Industries  
16      is.

17          A       Shelby Williams Industries is a company  
18      which I started in 1954. We manufacture hotel  
19      furniture and we did a substantial volume and a very  
20      successful company and recently sold it.

21                   Incidentally, Mr. Gilbert was also a  
22      shareholder in the company.

1 Q It was a privately held company?

2 A It was a publicly held company. When it  
3 was organized it was a privately held company.

4 Q Did that company hold annual corporate  
5 meetings?

6 A Shelby Williams Industries?

7 Q Yes.

8 A Yes.

9 Q Has Adams Communications held annual  
10 corporate meetings?

11 A The last meeting which was held, I  
12 happened to be out of town. I was asked to be  
13 present about a year ago, a year or 18 months ago.  
14 I don't remember the exact date.

15 Q How about before then, did the company  
16 hold annual meetings?

17 A We probably had informal discussions.  
18 Annual meetings, I probably attended one luncheon  
19 meeting at the Standard Club going back three or  
20 four years, but we had discussions off and on.

21 Q Do you know if minutes were ever taken at  
22 any of those meetings?

1           A       I presume if you have good legal counsel,  
2       they would be taken. Minutes of any corporate  
3       meeting. Since I'm not the secretary, I don't have  
4       to sign them.

5           Q       You don't recall reviewing any minutes?

6           A       Have I personally seen minutes? No.

7           Q       Did you ever see or help prepare a  
8       business plan for Adams Communications?

9           A       No.

10          Q       Do you know if Adams Communications has a  
11       business plan?

12          A       I'm sure a business plan existed, because  
13       there was discussion about if we're successful  
14       getting the station that we would require up to 5  
15       million dollars worth of operating capital so that  
16       would certainly constitute a business plan.

17          Q       To me that sounds like a budget. Is that  
18       what you're talking about?

19          A       Well, in a small company, a budget is a  
20       business plan.

21          Q       Well, do you know if a business plan or  
22       budget, whatever it was, covered expenses only or

1 did it cover revenue as well?

2 A At that particular time, the discussion  
3 was basically what it would take to operate the  
4 television station and the amount of dollars that  
5 would be required.

6 Q So there was no analysis of potential  
7 revenue?

8 A Not at that point.

9 (Steinfeld Deposition Exhibit Number 1  
10 was marked for identification.)

11 BY MR. HUTTON:

12 Q Mr. Steinfeld, did you prepare this  
13 document?

14 A Did I prepare it?

15 Q Yes.

16 A My secretary prepared it based on the  
17 information that she had.

18 Q Was it prepared in connection with Adams  
19 Communications?

20 A No.

21 Q Why was it prepared?

22 A Being German of a publicly held company

1 and being very cognizant of the value of proper  
2 relations and having received a lot of business  
3 awards, a request for a buyer for any number of  
4 publications has --

5 For that reason it was prepared.

6 Q This document lists various civic  
7 activities.

8 Have any of those civic activities been  
9 in and around the Reading, Pennsylvania area?

10 A Civic activities in Reading,  
11 Pennsylvania, no.

12 Q Have you ever been involved in any civic  
13 activities in and around the Reading, Pennsylvania  
14 area?

15 A No.

16 Q Have you ever been involved in any group  
17 or organization, other than Adams Communications and  
18 Monroe Communications, that has any involvement on  
19 the issue of television programming?

20 A No.

21 Q Have you ever been to Reading,  
22 Pennsylvania?



1           A       Yes.

2           Q       When were you there?

3           A       Probably the last time I was in Reading,  
4       Pennsylvania was nine, 10 years ago.

5           Q       What was the purpose of your visit?

6           A       Visiting one of our customers.

7           Q       Who was that?

8           A       Singer Equipment Company.

9           Q       How long were you there?

10          A       Half a day.

11          Q       Did you watch any television while you  
12       were there?

13          A       Probably not.

14          Q       Prior to that time, had you been to  
15       Reading, Pennsylvania?

16          A       I believe I may have been in Reading,  
17       Pennsylvania in the 1940s.

18          Q       For what purpose?

19          A       Passing through.

20          Q       Did you stay overnight or did you stay  
21       less than a day?

22          A       No, I didn't stay overnight.

1           Q       To your knowledge, has any other  
2       representative of Adams Communications been to  
3       Reading, Pennsylvania in connection with the  
4       application?

5           A       To my knowledge, I believe the only one  
6       who may have been there, and I'm not certain, is  
7       Mr. Gilbert.

8           Q       Can you tell me what you know about that  
9       visit or what he did?

10          A       I don't remember.

11          Q       Can you tell me what you know about the  
12       station against which Adams filed a competing  
13       application?

14          A       I understand it's channel 51. And the  
15       basic purpose for which the station was utilized was  
16       for the Home Shopping Network on an around-the-clock  
17       basis, I presume.

18          Q       Who told you that?

19          A       Mr. Haag and Mr. Gilbert.

20          Q       Did they tell you that before the  
21       application was filed or after?

22          A       I don't remember.

1           Q       Did they tell you whether or not channel  
2 51 had been in bankruptcy?

3           A       They did mention that they had been at  
4 the organization.

5           Q       Did they give you any indication as to  
6 why they thought Adams could successfully operate a  
7 station there?

8           A       Well, certainly our interests were that  
9 if we obtained a station, that we could operate  
10 successfully. They had the financial resources to  
11 do it. I'm quite certain that we would have been  
12 successful.

13          Q       Was there any discussion at that time as  
14 to what programming Adams would air on the station?

15          A       Based on previous experience, I'm sure we  
16 would have considered relevant programs to cater to  
17 the local population within the reach of the  
18 station. It may have been towards Latino, it may  
19 have been towards other minorities, to get the  
20 maximum results.

21          Q       My question was a little different. My  
22 question is do you recall any discussions as to what

1 programming Adams would air?

2 A I don't recall.

3 Q Do you recall any discussion about what  
4 programming was aired on other stations in the  
5 market?

6 A I don't recall really. I presume the  
7 market had whatever stations they are.

8 Q I'm sorry?

9 A I presume the other stations were  
10 carrying the same formats that you find in any other  
11 locale.

12 Q Do you know what other stations are in  
13 the market?

14 A No.

15 Q Do you know what the market is?

16 A What the market is?

17 Q Yes.

18 A You're talking about population,  
19 geographic, et cetera, et cetera?

20 Q No. I'm talking about what television  
21 market Reading, Pennsylvania is located in?

22 A I presume Philadelphia, Scranton and

1 Reading.

2 Q Do you know if anyone associated with  
3 Adams Communications did research on that market?

4 A I don't recall.

5 Q Do you know if there was any plan with  
6 respect to how the station would be staffed?

7 A I presume that plan would be developed if  
8 the station was awarded to the applicants.

9 Q You don't recall any discussion about  
10 staffing?

11 A No.

12 Q Do you know if there was any plan for any  
13 of the stockholders of Adams Communications to  
14 actually work at the station?

15 A Well, I can only answer my wife would  
16 like to have the weather forecast.

17 There was no discussion.

18 Q Do you know if any of the stockholders of  
19 Adams Communications have any broadcast experience?

20 A Not that I know of.

21 Q Do you recall any analysis or discussion  
22 of how the station would be equipped?

1           A       No.

2           Q       Do you recall any discussion of where the  
3       station's tower site would be?

4           A       There may have been discussion between  
5       Mr. Gilbert and myself about the tower site at one  
6       time to reach into Scranton and Philadelphia. We  
7       did have a discussion on that some time ago.

8           Q       Do you know if that was before the  
9       application was filed?

10          A       That was after the application was filed.

11          Q       Do you know approximately when that was?

12          A       Probably '96, '95.

13          Q       Can you tell me what was discussed?

14          A       I don't remember in detail.

15          Q       Well, just give me your best  
16       recollection.

17          A       The discussion was how to reach a greater  
18       audience, therefore, you would have to increase the  
19       antenna so it could reach into Scranton and into  
20       Philadelphia.

21          Q       And was that going to be from the tower  
22       site specified in the application or from a

1 different site?

2 A I cannot remember.

3 Q Were you involved in selecting the tower  
4 site specified in the application?

5 A No.

6 Q Have you ever had any discussions with  
7 any representative of the owner of the tower site?

8 A No.

9 Q Were you involved in seeking a loan  
10 commitment from a bank for the application?

11 A Only discussions with Mr. Gilbert that he  
12 had discussions with American National Bank about  
13 getting a loan commitment.

14 Q And do you know if those discussions were  
15 successful?

16 A Yes.

17 Q Did you ever provide any financial  
18 information to Mr. Gilbert or to the bank in  
19 connection with that loan commitment?

20 A They may have had my net worth statement  
21 on file for some other business endeavors.

22 Q So you don't recall providing anything in

1 connection with Adams Communications?

2 A I may have. I don't remember. I  
3 remember in a number of deals they wanted a net  
4 worth statement. The banks requested it so I gave  
5 it to them if it was required.

6 Q Do you have any knowledge of any  
7 discussions with any other principal of Adams about  
8 a possible settlement of the case?

9 A No.

10 Q Did anyone ever inform you that any other  
11 party had ever approached a representative of Adams  
12 about settling the case?

13 A I don't recall.

14 Q Do you recall whether any principal of  
15 Adams ever had any discussions with a representative  
16 of Telemundo on any subject?

17 A It's quite possible, but I was not  
18 involved.

19 Q Well, do you recall hearing about a  
20 discussion with Telemundo?

21 A I seem to recall a discussion about  
22 Telemundo and I don't remember the details.



1           Q       Do you know who would have had a  
2       discussion with Telemundo?

3           A       I presume it would have been Mr. Gilbert  
4       or Mr. Haag.

5           Q       Do you know what the subject matter was?

6           A       No.

7           Q       To your knowledge, have there been any  
8       discussions with anyone about a possible sale of the  
9       company or of the construction permit if the Adams  
10      application were granted?

11          A       I don't recall.

12          Q       To your knowledge, have there been any  
13      discussions with any party about a possible sale of  
14      interest in the company if the application were  
15      successful?

16          A       I don't know of any such discussion.

17          Q       Do you know if there were any outstanding  
18      contingent interests in the company, such as options  
19      or warrants?

20          A       Not that I know of.

21          Q       Are you a trustee of any school or  
22      nonprofit organization that holds a radio or